

Mexico Fintech Chatter – December 2nd, 2024

Mexico FinTech News

Crediclub Rasies another \$85mn as focuses on digitalization

Crediclub, one of Mexico's largest and best capitalized but least talked about Sofipos, has raised another \$85mn from L Catterton and IFC, following a similar round from the same investors in May 2022. It remains unclear how much of the latest raise was equity, debt, convertibles, and the liquidity rights involved. The funds will enhance Crediclub's digital infrastructure, including branch closures, SPEI integration, Visa partnerships for credit and debit cards, and a new app developed with Galileo. Unlike Nu, Uala, Stori, Crediclub has been more cautious on the funding side, with its instant deposit rate at 10.5%. Its credit business has been focused on group lending to women, and SMEs, not credit cards but it seems that will now change somewhat. Following the transaction former Mexico Google and Stripe head María Teresa Arnal, Marcelo Escobedo from Banco de Bolivia and Héctor Rangel Domene, ex BBVA, will all join the board. Serving 1.6 million clients, Crediclub has grown thirty-fold over the past decade, representing 7% of the Sofipos sector. L Catterton, focused more on consumer names than FinTechs, has successfully invested in LatAm in NotCo, Petlove, Despegar.com, OdontoCompany, Valoreo, Ben & Frank, Cholula, and Espaçolaser.

CEO Juan Francisco Fernández on [LinkedIn](#)

Expansión, 11/26/24, Elena Marcos: [Crediclub Closes Nearly 200 Branches to Focus on Digitalization](#)

El Economista, 11/21/24, Sebastián Estrada: [Crediclub consolidates digital bet with US\\$80 mn investment](#)

Google-Backed R2 Raises US\$59 Million in Equity, Debt for Lending

LatAm startup R2 raised US\$59 mn in equity and debt to continue expanding operations, including a push to grow its business in Chile. The company raised US\$9 mn in equity in a Series A extension led by Mexican funds Hi Ventures and Cometa; other investors included Endeavor Catalyst and prior backers Y Combinator and Google's Gradient Ventures. An additional credit line of as much as \$50 mn was secured from SF-based Community Investment Management for lending in Chile. R2 provides lending infrastructure and capital to allow companies – such as Rappi, Clip and InDrive – to offer financial services under their own brands. The company provides revenue-based loans in which the repayment happens automatically as a percentage of sales, which helps curb delinquencies.

Bloomberg, 11/28/24, Carolina Millan: [Google-Backed R2 Raises \\$59 Million in Equity, Debt for Lending.](#)

Nubank-sponsored Study: Mexico Needs a Regulatory Framework That Encourages Innovation and Financial Access

In Mexico, 90% of transactions are made in cash, 50% of adults lack a formal savings account, and only 11% own a credit card, figures that underscore the need for a regulatory

framework that fosters innovation and competition, according to a study by SXXII Derecho y Tecnología, sponsored by Nubank. The study recommends implementing instant payments, alternative identification methods like biometrics, and flexible rules for integrating technologies like AI. Moreover, Mexico could adopt initiatives similar to Brazil's Pix to promote financial inclusion, particularly for women and rural communities.

While we commend the report for intelligently covering every imaginable financial inclusion issue, we also believe it is so comprehensive and diplomatic, that it sometimes fails to cut to the chase. What could be done to boost financial inclusion? Many things, most of them unpopular as applying them would involve more tax compliance (the key issue behind the reluctance to use the banking system, but not given nearly enough importance by the Nu report): restrict cash-outs on social transfers, require certain payments be exclusively digital, and mandating open banking, among others. If interested, please join the discussion on [LinkedIn](#).

Nubank International, 11/29/24, Staff: [Mexico Needs a Regulatory Framework That Encourages Innovation and Financial Access](#)

Oxxo to serve Mifel's Customers as Merges Apps and Readies 2025 Credit Offering

Femsa's Oxxo and Banca Mifel announced an agreement for the convenience chain to make its 22,000 stores available for the bank's customers to make deposits and cash withdrawals. This follows a previous agreement between Oxxo and BBVA, [announced in September](#). Meanwhile JP Morgan reports Oxxo continues to work on merging its Premia (18mn recurring users) and Spin by Oxxo (3.5mn recurring users) Apps, a precursor to eventually entering the credit business. Oxxo's decision to go alone or with a partner in credit may be the most important Mexico FinTech development in 2025.

El Economista, 11/28/24, Édgar Juárez: [Mifel's Customers Will Be Able to Make Deposits and Withdrawals at Oxxo](#)

Rappi Turbo Integrates AI for Lightning-Fast Deliveries Across Latin America

Rappi has integrated artificial intelligence (AI) into its rapid delivery platform, Rappi Turbo, across Latin America. The technology enables the delivery of over 2,000 products, including groceries, personal care items, and ready-to-eat meals, in less than 10 minutes. By leveraging AI for demand forecasting, inventory management, and optimized delivery routes, Rappi ensures product availability and meets consumer expectations for ultra-fast service.

Forbes Colombia, 11/25/24, Vanessa Arenas: [Rappi Turbo Integrates AI for Lightning-Fast Deliveries Across Latin America](#)

LatAm FinTech News

Negative Reaction to Lula's Plan Puts Pressure on Brazilian Fintechs

Brazilian fintechs had another rough week as Brazil's currency sank to record lows following a negative reaction to the government's insufficient attempts to shore up confidence. Even though stocks such as Nu are quoted in USD, the underlying risk is in

local currency, something investors have finally caught up with. Nu's stock is down 17% from its 2024 mid October high as Brazilian assets have tanked.

Bloomberg, 11/28/24, Martha Beck and Simone Iglesias: [Brazil President Lula Cuts Spending by \\$12 Billion as Investor Concerns Soar.](#)

Nubank Receives Approval to Consolidate Operations in Colombia

Nubank has received authorization from Colombia's Superintendencia Financiera (SFC) to consolidate its operations under a single entity, Nu Colombia Compañía de Financiamiento S.A. This move aims to streamline services, improve customer experiences, and support the expansion of its product portfolio. Current customer conditions remain unchanged, with additional consumer protections provided by the DCF. With over 2 million customers as of September 2024, Nubank is among the top five financial institutions in Colombia by deposits, serving clients nationwide.

Yahoo Finanzas, 11/27/24, Reuters: [Nubank Receives Approval to Consolidate Operations in Colombia.](#)

Banks and Mercado Pago Compete for Digital Payments in Buenos Aires Subways

Argentine banks and Mercado Pago are finalizing systems to enable digital payments in Buenos Aires subways. Banks plan to launch contactless payments via NFC with Mastercard and VISA on December 2, 2024, offering aggressive cashback promotions. Mercado Pago aims to introduce a QR code payment system in December, providing an alternative for users without NFC-enabled devices. This competition reflects the broader rivalry between traditional banks and fintech companies in Argentina's digital payment sector.

Bloomberg Línea, 11/26/24, Belén Escobar: [Banks and Mercado Pago Compete for Digital Payments in Buenos Aires Subways.](#)

Global FinTech News

Partior Secures \$80M in Series B Funding to Enhance Global Financial Settlements

Partior, a Singapore-based blockchain fintech, has raised \$80 million in a Series B funding round, with Deutsche Bank joining as a strategic investor. The funding will be used to expand Partior's global operations and improve cross-border payment solutions. **FinTech Global, 11/28/24, Staff:** [Partior Secures \\$80M in Series B Funding to Enhance Global Financial Settlements](#)

Cardless Secures \$30M to Enhance Co-Branded Credit Card Offerings

San Francisco-based fintech Cardless has raised \$30 million in a growth investment round led by Activant Capital, with participation from Mischief, Industry Ventures, Thayer Ventures, Assurant, and Amex Ventures. The company plans to expand its co-branded credit card and loyalty offerings, grow its engineering and operations teams, and enter retail, e-commerce, and SMB markets.

FinTech Global, 11/27/24, Staff: [Cardless Secures \\$30M to Enhance Co-Branded Credit Card Offerings](#)

Mollie and PayPal Partner to Enhance Marketplace Payments in Europe

Mollie, a European financial services provider, has partnered with PayPal to deliver secure and seamless payment solutions for marketplace platforms in the EU and the UK. **Yahoo Finance, 11/28/24, Staff:** [Mollie and PayPal Tie Up for Payments Marketplace](#)

Other News

PitchBook, 11/28/24, Michael Bodley: [Crypto VCs Line Up to Ride Trump Bitcoin Boom](#)
FinTech Global, 11/27/24, Staff: [NORBr Raises €3M to Transform Payment Infrastructure Technology](#)